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**MINISTRY OF STEEL, MINES & FUEL**

**(Department of Iron & Steel)**

**RESOLUTION**

**STEEL RETENTION PRICES**

*New Delhi, the 13th October, 1958*

**No. SC(A)-2(246)/57.**—In their letter No. 63(5)-TR/58, dated the 15th January 1958, Government of India in the Ministry of Commerce & Industry requested the Tariff Commission to examine the representations of the Tata Iron & Steel Co. Ltd., and the Indian Iron & Steel Co. Ltd., regarding increase in their manufacturing cost of steel, in terms of paragraph 2(3) of their Resolution No. SC(A)-2(149)/55, dated the 1st February 1956, and to make recommendations on the revision of the retention price of steel payable to the two producers. The Tariff Commission having conducted its enquiry has submitted its report. Its main conclusions and recommendations are as follows:

- (i) That the average retention price payable to the Tata Iron & Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. for the period 1955-56 to 1959-60, on all categories of steel taken together should be increased by Rs. 46 per ton over and above the increases sanctioned in July 1957.
- (ii) That the 1954-55 "adjusted retention price" for the Indian Iron & Steel Co. Ltd. should be increased by the same amount and consequently the average amount to be credited by the Company to its Development Fund during the period 1955-56 to 1959-60 will remain unchanged; and
- (iii) That whereas the 1954-55 "adjusted retention price" for the Tata Iron & Steel Co. Ltd. has increased only by Rs. 44 per ton, the average amount to be credited by the Company to its Development Fund during the period 1955-56 to 1959-60 should be increased by Rs. 2 to Rs. 50 per ton.

2. The Government of India have given careful consideration to the recommendations of the Tariff Commission. In view of the fact that the increase in excise duty on steel ingots came into effect only from the 16th May 1957, Government of India consider that it would not be appropriate to allow this element in the retention price for periods prior to this date. It has, therefore, been decided that the excise duty element should not be spread over the five year period, i.e., 1st April 1955 to 31st March 1960, as proposed by the Tariff Commission, but adjusted on the basis of the actuals. The average increase per ton in the retention price excluding the excise duty element payable to the Tata Iron & Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. on the basis of the Tariff Commission's recommendations, for the period 1955-56 to 1959-60, for all categories of steel taken together, works out to Rs. 14 per ton.

3. The Government of India have accordingly decided that:

- (i) The average retention price payable to the Tata Iron & Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. for the period 1955-56 to 1959-60 and for all categories of steel taken together should be increased by Rs. 14 per ton over and above the Rs. 12 per ton allowed in this Ministry's Resolution No. SC(A)-2(177)/55, dated the 1st July 1957.
- (ii) Adjustments in regard to the increased excise duty on ingot levied from 16th May 1957 will, however, be made only on despatches of steel after that date. On the basis of the incidence of the additional excise duty on finished steel, the adjustment from 16th May 1957 will be at the rate of Rs. 45.74 per ton.
- (iii) The increases mentioned in sub-para (i) above will enable Tata Iron & Steel Co. Ltd. and Indian Iron & Steel Co. Ltd. to credit Rs. 50 and Rs. 7 per ton respectively to their Development Fund as laid down in the Ministry of Commerce & Industry Resolution No. SC(A)-2 (149)/55, dated the 1st February 1956.

ORDER

Ordered that a copy of this Resolution be communicated to all concerned and that it be published in the Gazette of India Extraordinary.

S. BHOTHALINGAM, Secy.